



MINUTES

LAFCO REGULAR MEETING

Wednesday, April 14, 2004, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Charles Smith called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:00 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Peter Herzog led the pledge of allegiance.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Randal J. Bressette**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner Susan Wilson**
- **Alternate Commissioner Robert Bouer**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Acting Executive Officer Bob Aldrich
- Senior Project Manager Ken Lee
- Policy Analyst Kim Koeppen
- Policy Analyst Carolyn Thomas
- Communications Analyst Danielle Ball
- Administrative Assistant Daphne Charles

4. APPROVAL OF MINUTES

a.) March 10, 2004 – Regular Commission Meeting

MOTION: Approve minutes from March 10, 2004 without revision
(Randal Bressette)
SECOND: Arlene Schafer
FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles
Smith, Charley Wilson, Susan Wilson
AGAINST: None
ABSTAIN: None
MOTION PASSED

Commissioner Withers entered the Commission meeting during the approval of the minutes.

5. PUBLIC COMMENT

Chair Smith requested public comments on any non-agenda item.

May Ranck, a resident from unincorporated West Santa Ana Heights (WSAH), presented before the Commission to share her views re the future annexation of WSAH. She indicated that she believed that most of the island's residents would prefer that the territory (Area 7) be annexed to the City of Newport Beach rather than Costa Mesa.

Chair Smith thanked Ms. Ranck for her comments and said that they would be reflected as part of the record.

Acting Executive Officer Aldrich stated that the City of Costa Mesa's annexation application for WSAH remains active. He added that the City of Newport Beach had not yet submitted a competing application for the area but likely would do so in the near future. He indicated that both applications would be considered simultaneously by the Commission.

Kendall Neisess, a resident from the City of Fullerton, presented before the Commission to voice his opposition to the Commission's decision to annex the former MCAS El Toro to the City of Irvine. He cited concerns about future regional transportation constraints and the need for an international airport at El Toro. He added that he believed that the Commission committed a grave procedural error by neglecting to assign a protest period so that the public would have an opportunity to protest the Commission's final decision to annex the territory to the City of Irvine. He encouraged the Commission to reconsider its decision.

Chair Smith requested additional public comments on any non-agenda item. Receiving no response, he closed the public comment agenda item without any additional statements from the public.

6. CONSENT CALENDAR

a.) Legislative Report

b.) Annexations to the Orange County Sanitation District

- Andrews/Harris Annexation to the Orange County Sanitation District (DA 03-19)
- Tovatt Annexation to the Orange County Sanitation District (DA 03-20)
- Kirkland Annexation to the Orange County Sanitation District (DA 03-22)
- Holtz Annexation to the Orange County Sanitation District (DA 03-23)

Chair Smith pulled the legislative report (consent calendar item 6a) for further discussion by the Commission.

MOTION: Approve the consent calendar item 6b (Randal Bressette)

SECOND: John Withers

FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

- 6a.** Senior Project Manager Lee presented an update re AB 2306 authored by Assemblyman Richman affecting the Ventura County area. Mr. Lee indicated that the bill was drafted to bypass Ventura LAFCO's policies relative to island annexations. He explained that Ventura LAFCO will not approve the annexation of any territories to a given city unless the city first annexes all of its unincorporated islands. The intent of AB 2306, he added, was to prohibit any LAFCO from imposing any term and condition that requires an annexation to include additional territory not included in the original application. He cited common instances when LAFCOs must modify an application to include or remove additional territory. He indicated that staff recommended that the Commission adopt an "oppose" position on the bill, as it presents a means for cities and other governmental agencies to circumvent LAFCO's authority to impose terms and conditions and would become an obstacle to any LAFCO using its discretion to decide logical boundaries.

Mr. Lee added that he had been in contact with the Assemblyman's office and that Assemblyman Richman has committed to work with CALAFCO to rework the language. Mr. Lee added that he would bring the issue back to the Commission for an update in May.

Per **Chair Smith's** request, Mr. Lee clarified that staff recommended that the Commission adopt the position of "oppose" on AB 2306 and adopt a position of "support" on AB 3077.

Commissioner C. Wilson asked if staff recommended outright opposition of AB 2306 or "oppose unless amended." Mr. Lee responded that, though the Assemblyman had agreed to work with CALAFCO, it is unclear how the language could be amended to appease both parties. He said that the Commission should adopt the position of "oppose" and direct staff to work with the author's office with the possibility of changing the Commission's position in the future.

In response to **Commissioner Withers'** question, Mr. Lee responded that the City of Simi Valley was sponsoring the bill.

MOTION: Approve the consent calendar item 6a as amended (Randal Bressette)
SECOND: Arlene Schafer
FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

7. PUBLIC HEARING

a.) Adoption of Proposed LAFCO Budget for FY 2004-2005

Acting Executive Officer Aldrich presented the proposed LAFCO budget for FY 2004-2005. He referred to the exhibits attached to the staff report, which detailed each city and special district's cost allocation and highlighted the fact that the proposed budget was static for the fourth consecutive year with no increase to the funding agencies.

Mr. Aldrich mentioned that LAFCO, like other public and private employers, faces increasing health care and retirement costs for its employees. He said that health care costs were projected to rise 20 percent during the fiscal year, while retirement costs were projected to rise 32 percent.

Mr. Aldrich added that the Islands Program would expire at the end of June 2004. He reminded the Commission that the County had funded the program's first two years and indicated that those funds were utilized to pay the direct costs of the program in addition to funding two limited term, fulltime positions. He said that FY 2004-2005 would be the first year that LAFCO would absorb the full cost of the limited term

policy analyst position that the Commission converted to permanent status in April 2003.

He stated that LAFCO received substantial fees from the Cities of Irvine and San Clemente to cover the extraordinary staff processing costs related to several significant city annexation applications. He said that those funds were transferred into the operating budget for FY 2004-2005, which helped offset other budgetary increases and enabled LAFCO to maintain a static budget. He cautioned that the funding agency contributions will very likely increase in FY 2005-2006.

Mr. Aldrich stated that staff would distribute the proposed budget to the Board of Supervisors, each city, the city selection committee, each independent special district, and the independent special district selection committee for review and comment, adding that the Commission would consider adoption of the final LAFCO budget in May. He noted that the executive committee, comprised of **Chair Smith, Vice Chair S. Wilson**, and immediate past Chair **Commissioner Schafer**, reviewed the proposed budget in advance of the public hearing and recommended the Commission's approval of the proposed budget.

Vice Chair S. Wilson recommended that, when sending copies of the proposed budget to the funding agencies, staff include a memo alerting the agencies that their contributions will likely increase during the next budget cycle.

Commissioner Herzog suggested that it was equally as important to highlight that FY 2004-2005 is the fourth consecutive year that LAFCO had maintained a static budget – quite an accomplishment in light of the Commission's activities and rising operational costs. He indicated that the funding agencies would certainly understand that a fixed budget cannot be maintained forever.

Commissioner Bressette congratulated the executive committee and staff for finding a way to keep the funding agencies' contributions static.

MOTION: Adopt the proposed LAFCO budget for FY 2004-2005 (Randal Bressette)
SECOND: Susan Wilson
FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

8. COMMISSION DISCUSSION

a.) Orange County Leadership Symposium One-Day Workshop

- 8a.** Communications Analyst Ball presented information related to the one-day workshop being hosted by the OCLS Advisory Team as a follow-up to the third annual Orange County Leadership Symposium that convened in Lake Arrowhead in January 2004.

Chair Smith and **Commissioner Herzog** encouraged their fellow commissioners to attend the April 30 event if at all possible. Both agreed that the Commission's continued support of and participation in OCLS is very worth-while.

Commissioner Bressette stated that he would be out of town on April 30 and therefore unable to participate in the workshop.

9. COMMISSIONER COMMENTS

Chair Smith invited his fellow commissioners to comment on issues not listed on the agenda.

Commissioner Bressette informed the Commission that his term as a regular city member on LAFCO would expire on June 30. He indicated that, after ten years on the Commission, he did not intend to run for another term.

10. INFORMATIONAL ITEMS

a.) Update on the Center City Annexation to the City of Yorba Linda (CA 02-09)

- 10a.** Policy Analyst Koeppen presented the official statement from the Registrar of Voters detailing the results of the March 2, 2004 ballot issue regarding the Center City annexation to the City of Yorba Linda, which the Commission approved in December 2002. She stated that the majority of the registered voters residing in the area voted against the annexation. She stated that LAFCO staff prepared a certificate of termination ordering the termination of proceedings, a copy of which was issued to the City of Yorba Linda.

Commissioner McCune clarified that only the residents living in the affected territory were given the opportunity to vote on the matter. She further asked the exact number of registered voters residing in the territory. Ms. Koeppen responded that, while 1,041 residents cast ballots on the issue, she didn't immediately know the exact number of registered voters residing in the territory. She indicated that she would send a follow-up message to the Commission following the meeting.

Commissioner McCune recalled the public comments provided by John Herbert, a resident from the City of Yorba Linda, at the March 2004 meeting about the campaign against annexation spearheaded by the Orange County Sheriff's

Association. She opined that the campaign had a major impact on the outcome of the election, since the average voter could easily mistake the PAC for a county agency.

11. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT
(Section 54957)
Title: Executive Officer

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Subdivision (a) of Section 65965.9)
Name of case: Airport Working Group of Orange County and Orange County
Regional Airport Authority v. Local Agency Formation Commission of Orange
County; City of Irvine, et al.

Legal Counsel Alsop indicated that there was no need for the Commission convene in closed session, as he didn't have an update regarding either closed session topic. He stated that the Commission could anticipate discussing both topics in closed session following the May meeting.

12. ADJOURNMENT

Chair Smith adjourned the meeting at 9:34 a.m.

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BOB ALDRICH
Acting Executive Officer
Orange County Local Agency Formation Commission

By: _____
Danielle M. Ball
Commission Clerk